

the population in mediaeval England, borrowing and lending were common, and it was with reference to their petty, transactions, not to the world of high finance, that the traditional attitude towards the money-lender had been crystallized. It was natural that "Juetta [who] is a usurers and sells at a dearer rate for accommodation/" and John the Chaplain, *qui est usurarius maximus*,¹⁹ should be regarded as figures at once too scandalous to be tolerated by their neighbours and too convenient to be altogether suppressed. The Church accepts this popular sentiment, gives it a religious significance, and crystallizes it in a system, in which economic morality is preached from the pulpit, emphasized in the confessional, and enforced, in the last resource, through the courts, " *

The philosophical basis of it is the conception of natural law. " Every law framed by man bears the character of a law exactly to that extent to which it is derived from the law of nature. But if on any point it is in conflict with the law of nature, it at once ceases to be a law ; it is a mere perversion of law." ⁵⁰ The plausible doctrine of compensations, of the long-run, of the self-correcting mechanism, has not been yet invented. The idea of a law of nature—of natural justice which ought to find expression in positive law, but which is not exhausted in it—supplies an ideal standard, by

which the equity of particular relations can be measured. The most fundamental difference between mediaeval and modern economic thought consists, indeed, in the fact that, whereas the latter normally refers to economic expediency, however it may be interpreted, for the justification of any particular action, policy, or system of organization, the former starts from the position that there is a moral authority to which considerations of economic expediency must be subordinated. The practical application of this conception is the attempt to try every transaction by a rule of right, which is largely, though not wholly, independent of the for-